

SYSTEMS AND METHODS FOR  
ELECTRONIC TRADING THAT PROVIDE  
INCENTIVES AND LINKED AUCTIONS

Abstract of the Invention

5                Systems and methods for electronic trading  
that provide incentives for gathering orders, making  
markets, and submitting block orders, and that enable  
linking of multiple auctions are provided. These  
systems and methods may first determine if the trader  
10                qualifies for an incentive. This determination may be  
made based upon one or more characteristics, such as  
price, size, duration, etc., of orders submitted to the  
trading system by the trader. Once the trader has been  
determined as being eligible for one or more incentives,  
15                the incentives that are provided may include reduced  
transaction costs, cash payments, priority or exclusivity  
in trading, self execution of transactions, etc.  
Similarly, before an order is eligible to be traded in  
an auction that is linked to another auction in the  
20                trading system, the order is preferably confirmed as  
qualifying to be auctioned in such a manner. Once an  
order is confirmed as qualifying for a linked auction,  
the auction is created and preferably linked to another  
auction based upon a characteristic of the order, such  
25                as price. In addition to being linked, information from  
each auction may be made available to traders in the  
other auctions.

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